

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON, D.C. 20579

IN THE MATTER OF THE CLAIM OF

FEDERAL INSURANCE COMPANY

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU-2617

Decision No. CU -3791

Counsel for claimant:

Shanley & Fisher
By Harry Tyson Carter, Esq.

Appeal and objections from a Proposed Decision entered on July 30, 1969;
oral hearing requested.

Oral hearing held October 14, 1969.

FINAL DECISION

Under date of July 30, 1969, the Commission issued its Proposed Decision on this claim, certifying a loss in favor of claimant in the principal amount of \$215,944.44 plus interest. Subsequently, claimant filed objections to the Proposed Decision and requested an oral hearing which was duly held on October 14, 1969.

At that hearing, an attorney employed by claimant at its home office in New York, New York and the former Manager of claimant's Cuban operations gave oral testimony, and counsel for claimant presented oral argument in favor of claimant's objections.

Upon consideration of the foregoing, in the light of the entire record, the Commission now finds:

- (1) That the loss with respect to claimant's insurance business in Cuba occurred on August 8, 1961;

(2) That the value of the 2-1/2% United States Treasury Bonds in the face amount of \$43,000.00 should be measured by their market value on August 8, 1961;

(3) That the reserves for losses and unearned premiums in the amounts of \$20,617.80 and \$33,981.14, respectively, should not be deducted in determining the value of claimant's Cuban insurance business; and

(4) That the warehoused goods were taken by the Government of Cuba on March 1, 1959, as a result of which claimant sustained a loss in the amount of \$96,592.61.

Giving effect to the findings herein, the Commission concludes that claimant sustained the following losses within the meaning of Title V of the Act:

<u>Property</u>	<u>Date of Loss</u>	<u>Amount</u>
Financiera Nacional de Cuba (stock interests)	Aug. 17, 1960	\$ 400.00
4-1/2% Government of Cuba bonds	Dec. 31, 1960	80,266.25
Yacht "Nicoya"	Aug. 4, 1961	78,750.00
Assets of Insurance Business in Cuba:		
Per Proposed Decision		
Less 2-1/2% U.S. Government bonds		\$129,920.14
Plus: New Value of U.S. Government bonds		<u>36,926.25</u>
	Aug. 8, 1961	166,846.39
Warehoused Goods	Mar. 1, 1959	<u>96,592.61</u>
		\$422,855.25
Less set-off		<u>56,713.64</u>
	Total	<u>\$366,141.61</u>

Accordingly, it is

ORDERED that the Proposed Decision be amended as above, that the certification of loss, as restated below, be entered and that in all other respects the Proposed Decision be affirmed.

CU-2617

CERTIFICATION OF LOSS

The Commission certifies that FEDERAL INSURANCE COMPANY suffered a loss, as a result of actions of the Government of Cuba, within the scope of Title V of the International Claims Settlement Act of 1949, as amended, in the amount of Three Hundred Sixty-six Thousand One Hundred Forty-one Dollars and Sixty-one Cents (\$366,141.61) with interest at 6% per annum from the respective dates of loss to the date of settlement.

Dated at Washington, D. C.,
and entered as the Final
Decision of the Commission

OCT 28 1969

Theodore Jaffe

Theodore Jaffe, Commissioner

Sidney Freidberg

Sidney Freidberg, Commissioner

The statute does not provide for the payment of claims against the Government of Cuba. Provision is only made for the determination by the Commission of the validity and amount of such claims. Section 501 of the statute specifically precludes any authorization for appropriations for payment of these claims. The Commission is required to certify its findings to the Secretary of State for possible use in future negotiations with the Government of Cuba.

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON, D.C. 20579

IN THE MATTER OF THE CLAIM OF

FEDERAL INSURANCE COMPANY

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU-2617

Decision No. CU 3791

Counsel for claimant:

Shanley & Fisher
By Harry Tyson Carter, Esq.

PROPOSED DECISION

This claim against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended, in the amended amount of \$421,933.73, was presented by FEDERAL INSURANCE COMPANY based upon the asserted nationalization of its subsidiary and the loss of other personal property in Cuba.

Under Title V of the International Claims Settlement Act of 1949 [78 Stat. 1110 (1964), 22 U.S.C. §§1643-1643k (1964), as amended, 79 Stat. 988 (1965)], the Commission is given jurisdiction over claims of nationals of the United States against the Government of Cuba. Section 503(a) of the Act provides that the Commission shall receive and determine in accordance with applicable substantive law, including international law, the amount and validity of claims by nationals of the United States against the Government of Cuba arising since January 1, 1959 for

losses resulting from the nationalization, expropriation, intervention or other taking of, or special measures directed against, property including any rights or interests therein owned wholly or partially, directly or indirectly at the time by nationals of the United States.

Section 502(3) of the Act provides:

The term 'property' means any property, right, or interest including any leasehold interest, and debts owed by the Government of Cuba or by enterprises which have been nationalized, expropriated,

intervened, or taken by the Government of Cuba and debts which are a charge on property which has been nationalized, expropriated, intervened, or taken by the Government of Cuba.

Section 502(1)(B) of the Act defines the term "national of the United States" as a corporation or other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, if natural persons who are citizens of the United States own, directly or indirectly, 50 per centum or more of the outstanding capital stock or other beneficial interest of such corporation or entity.

The record shows that claimant was organized under the laws of New Jersey and that at all pertinent times more than 50% of claimant's outstanding capital stock was owned by nationals of the United States. An authorized officer of claimant has stated that at all times between December 22, 1959 and December 31, 1966, at least 99.5% of claimant's outstanding capital stock was owned by nationals of the United States. The Commission holds that claimant is a national of the United States within the meaning of Section 502(1)(B) of the Act.

Originally, claim had been made, inter alia, in the approximate amount of \$65,000.00 on account of certain undescribed debts. Claimant having requested, through counsel, under date of May 23, 1969, that this portion of the claim be withdrawn, and the matter having been considered by the Commission, it is

ORDERED that the request be and the same is hereby granted.

Subsidiary

The evidence establishes and the Commission finds that claimant owned a 100% stock interest in Compania de Seguros Federal de Cuba, S.A. (Federal Insurance Company of Cuba, S.A.), hereafter called the subsidiary.

The record discloses that the subsidiary was organized under the laws of Cuba and does not qualify as a corporate "national of the United States" defined by Section 502(1)(B) of the Act, supra. In this type of situation,

it has been held previously that a stockholder in such a corporation is entitled to file a claim based upon his ownership interest therein. (See Claim of Parke, Davis & Company, Claim No. CU-0180, 1967 FCSC Ann. Rep. 33.)

On April 28, 1964, the Cuban Government published in its Official Gazette Resolution 1032, pursuant to Law 890, which listed as nationalized Compania de Seguros Federal de Cuba, S.A. The Commission, therefore, finds that claimant sustained a loss within the meaning of Title V of the Act on April 28, 1964, except as noted further below.

The Act provides in Section 503(a) that in making determinations with respect to the validity and amount of claims and value of properties, rights, or interests taken, the Commission shall take into account the basis of valuation most appropriate to the property and equitable to the claimant, including but not limited to fair market value, book value, going concern value or cost of replacement.

The question, in all cases, will be to determine the basis of valuation which, under the circumstances, is "most appropriate to the property and equitable to the claimant." The Commission has concluded that the phraseology does not differ from the international legal standard which would normally prevail in the valuation of nationalized property and that it is designed to strengthen that standard by giving specific bases of valuation which the Commission shall consider; i.e., fair market value, book value, going concern value, or cost of replacement.

Claimant has computed its claim on the basis of the subsidiary's assets, without considering liabilities, plus the additional sum of \$96,592.61 as subrogee resulting from a payment made by the subsidiary to one of its assureds.

The record includes a copy of an audited balance sheet for the subsidiary as of December 31, 1960, which shows the following, the Cuban peso being on a par with the United States dollar:

ASSETS

CURRENT ASSETS:

Cash in banks		\$ 55,015.73	
Premiums receivable	\$7,775.18		
Less reinsurance payable	<u>911.00</u>	6,864.18	
Federal Insurance Co. of New Jersey (receivable)		24,398.68	
Interest accrued on bonds		3,226.05	
Other receivables		<u>1,378.00</u>	
Total Current Assets			\$ 90,882.64

CLAIM AGAINST CUBAN TREASURY
DEPARTMENT

120.00

INVESTMENTS:

Securities on deposit with Cuban Treasury Department, at amortized value (market value in 1960-\$57,045.00)- note 1		127,500.00	
Securities on deposit with Chase Manhattan Bank, Havana Branch, at amor- tized value (market value in 1960-\$38,081.88)- note 1		43,157.16	
Stocks-Financiera Nacional de Cuba, at cost		<u>400.00</u>	171,057.16

CASH ON DEPOSIT WITH CHASE
MANHATTAN BANK, HAVANA
BRANCH-note 1

9,000.00

UNEXPIRED PREMIUMS ON REINSURANCES

33,143.55

Total Assets

\$304,203.35

LIABILITIES AND CAPITAL

RESERVE FOR OUTSTANDING LOSSES

\$ 20,617.80

RESERVE FOR UNEARNED PREMIUMS-
note 2

33,981.14

Total Liabilities

54,598.94

CAPITAL:

Issued and outstanding- 175 shares	\$175,000.00	
Premium on sale of capital stock	17,500.00	
Retained earnings	<u>57,104.41</u>	
Total Capital		<u>249,604.41</u>

Total Liabilities and Capital

\$304,203.35

The accompanying notes of the auditor read as follows:

"1.- The \$43,000.00, par value, United States Treasury 2.1/2% bonds and the sum of \$9,000.00 in cash were deposit as collateral for the mercantile loan on securities amounting to \$49,000.00, between Banco Nunez Nacionalizado and the company, protected by an escrow agreement with The Chase Manhattan Bank-New York-Havana Branch.

"The 49 bonds of \$1,000.00, par value, Financiera Nacional de Cuba, Acueducto de la Habana 4%, 1954/1975- received from Banco Nunez Nacionalizado, are for the exclusive and sole purpose of their deposit in the Treasury Department of the Republic of Cuba as a guaranty to operate in the insurance business throughout the Republic of Cuba. The borrowed bonds and the coupons are of the exclusive property of Banco Nunez Nacionalizado.

"2.- The company reinsures the 97.1/2% of all the net risk underwritten except war with Federal Insurance Company of New Jersey and the war risk is reinsured with same company on basis of 100%. The reserve for unearned premiums are calculated on the figures corresponding to the net retention ceded to Federal Insurance Company of New Jersey, as well as, the figures corresponding to the 2.1/2% retention of Compania de Seguros Federal de Cuba, S.A."

Upon consideration of the entire record, the Commission finds that the valuation most appropriate and equitable to the claimant in this claim is that shown in the subsidiary's balance sheet of December 31, 1960, with certain adjustments warranted by the evidence of record.

The evidence includes copies of two statements from the Havana Branch of The First National City Bank of New York, showing that the subsidiary's aggregate credit bank balance was \$53,504.77. Counsel has advised, however, that the difference of \$1,510.96 constituted petty cash on hand and that the balance sheet account should read "Cash and Cash in Banks." The Commission finds that on April 28, 1964, the date of loss, the subsidiary owned bank accounts in the aggregate amount of \$55,015.73.

As indicated in note 1 of the subsidiary's balance sheet, bonds in the face amount of \$49,000.00 had been borrowed and did not belong to the subsidiary, but to the creditor, the nationalized Cuban entity, Banco Nunez. Counsel has explained that the \$49,000.00 in borrowed bonds was included in the \$127,500.00 for bonds shown in the balance sheet and that \$78,500.00 constituted bonds belonging to the subsidiary that had

been deposited with the Cuban Treasury Department in 1957. The Commission, therefore, finds that the subsidiary owned Cuban bonds in the face amount of \$78,500.00.

Counsel has stated that inasmuch as Cuba took both the borrowed bonds and the collateral for the loan thereof "without by that act extinguishing Banco Nunez's claim for repayment of the loan", claimant is entitled to claim the full deposit of \$127,500.00 in bonds as well as the collateral.

The Commission, however, rejects counsel's contention in this respect for the following reasons, viz: Pursuant to Law 891 of October 13, 1960, the Cuban Government nationalized all private Cuban banks, including Banco Nunez. Under that law Cuba succeeded to the assets and liabilities of all banks subject to that statute. Therefore, the Cuban Government became, in effect, the creditor of the subsidiary with respect to the borrowed bonds in the amount of \$49,000.00 and no debt can be owed to such a Government by this claimant under the recited circumstances.

It further appears from the record that the bonds which the subsidiary had deposited with the Cuban Treasury Department in the face amount of \$78,500.00 were of the issue known as 4-1/2% Bonds of the External Debt of the Republic of Cuba, 1937-1977. The Commission has found that Cuba first defaulted with respect to this debt on December 31, 1960, when it failed to make a semiannual payment of interest in the amount of \$22.50 for each \$1,000.00 face amount of such bonds, and held that a claim under Title V of the Act arose on December 31, 1960 in the aggregate amount of \$1,022.50 on account of each such \$1,000.00 bond. (See Claim of Clemens R. Maise, Claim No. CU-3191, 1967 FCSC Ann. Rep. 68.) The Commission, therefore, finds that claimant sustained a loss in the aggregate amount of \$80,266.25 on December 31, 1960, representing \$78,500.00 in principal amount and bond interest in the amount of \$1,766.25.

The record contains an original listing of the losses asserted by claimant before the amount of the claim was amended. That listing includes the amount of \$3,226.05 for interest accrued on bonds deposited with the Cuban Treasury Department. As noted above, the Commission found that the amount of accrued interest on the subsidiary's bonds was \$1,766.25 on December 31, 1960, the date of loss with respect to the bonds, and not \$3,226.05, as set forth in the subsidiary's balance sheet of December 31, 1960.

The subsidiary's balance sheet and accompanying note indicate that part of the collateral for the said bond loan was 2-1/2% United States Treasury Bonds in the face amount of \$43,000.00; that the market value of the bonds in 1960 was \$38,081.88; and that the value thereof for the purpose of the balance sheet was \$43,157.16. Counsel for claimant has stated in a letter to the Commission, dated May 23, 1969, that inquiries were made at the United States Department of the Treasury concerning the possibility of replacing said bonds, and was informed that such a request could not be entertained until after 1972, maturity of the bonds, and that it was doubtful that the request would be granted.

The Commission has also inquired at the United States Treasury Department with respect to this issue. Officials of the Treasury Department advised that the said bonds were due to mature on December 15, 1972; that they are bearer bonds, generally, although sometimes they are registered in the names of the owners; that they are negotiable even when registered and could fall into the hands of a holder in due course; and that a holder of such a bond could wait until maturity or sell them on the market since they are quoted daily. The Commission was also informed that on April 28, 1964, the date of loss, these bonds had a value of \$88-6/32 per \$100.00 of face value, equivalent to \$88.1875. The Commission, therefore, finds that the value of the bonds on the date of loss was \$37,920.63 and that claimant is entitled to a certification of loss in that amount.

In regard to the claimed stock interest of \$400 in Financiera Nacional de Cuba the Commission has heretofore found that institution was a semi-public entity, controlled by the National Bank of Cuba, an agency of the Government of Cuba, and that Cuba had guaranteed the investments of stockholders of that entity. The Commission has also found that pursuant to Law 865 of August 17, 1960, Financiera Nacional de Cuba was liquidated and all its liabilities were assumed by Cuba; and that a claim for a debt due from Cuba arises by virtue thereof under Title V of the Act on August 17, 1960, the date of liquidation. (See Claim of Phoenix Insurance Company, Claim No. CU-1913.) The Commission, therefore, finds that the amount of the unpaid debt owing to the subsidiary on August 17, 1960 on account of its interests in Financiera Nacional de Cuba was \$400.00 and that claimant is entitled to a certification of loss in that amount.

The subsidiary's balance sheet further shows that claimant owed a debt to the subsidiary in the amount of \$24,398.68, which is corroborated by documentation submitted by claimant under date of May 23, 1969. It appears, from note 2 accompanying the balance sheet and this documentation, that claimant underwrote reinsurance policies to the extent of 97-1/2% of the risks written by the subsidiary, except for war risks which claimant underwrote to the extent of 100%. An affidavit from a former officer of the subsidiary, included in claimant's submission of May 23, 1969, indicates that during 1958 the subsidiary also reinsured its risks with a local Cuban insurance company as well as with claimant. One of the assets listed in the subsidiary's balance sheet is unexpired premiums on reinsurance in the amount of \$33,143.55. In the absence of evidence to the contrary, the Commission finds that 97-1/2% of that amount, i.e. \$32,314.96, represented a further debt due from claimant. It is, therefore, concluded that the aggregate amount of claimant's debt to the subsidiary on April 28, 1964, the date of loss, was \$56,713.64, which must be deducted in determining the amount of loss sustained by claimant on account of its stock interest in the subsidiary.

The remaining item to be considered with respect to the subsidiary is the amount of \$96,592.61, asserted in the capacity as subrogee. The record shows that the subsidiary had insured Compania Nacional de Alimentos, a Cuban concern, and during the period from August to December 1958 the insured sustained losses of merchandise due to acts of insurrection by rebel forces in Cuba. These facts are set forth in an affidavit of a former officer of the subsidiary and in the claim adjuster's report of July 7, 1959, which were included in claimant's submission of May 23, 1969. A copy of the policy submitted by counsel discloses that pursuant to clause 6(e), the insurance did not cover loss or damage resulting from "hostile or warlike action in time of peace or war", or from "insurrection, rebellion, revolution, civil war, usurped power"

It further appears that the insured claimed a loss of \$126,333.32, but that the subsidiary paid \$96,592.61 in settling the claim under the policy. The adjuster's report contained the following note: "This settlement is made without prejudice to policy conditions and without setting a precedent for future claims on losses of this nature, also without any admission of liability by Compania de Seguros Federal de Cuba, S.A."

The record contains nothing that would explain why the subsidiary paid anything on account of the said losses when by the very terms of the governing policy of insurance such losses were not covered. In any event, this circumstance need not be pursued further, as hereinafter appears, since other factors are dispositive of the portion of the claim for \$96,592.61 arising out of payment of the said losses sustained in 1958.

The primary reason as to why the claimant cannot succeed in obtaining a certification of loss under Title V of the Act with respect to this subrogee portion of the claim is because the record discloses that such losses actually occurred in 1958 and Title V of the Act provides only for claims "arising since January 1, 1959". And this is so even though counsel for claimant asserts that although the insured merchandise had been seized by Castro forces, removed to warehouses and kept under guard, that the legal taking in effect, only occurred after Castro's rise to power on January 1, 1959 after it was unknown

whether the merchandise would be returned, removed by "self-help" or paid for. Also, even if the claim for these losses arose "since January 1, 1959", claimant would not be in any more favorable position under Title V of the Act. This claims statute provides only for certain claims owned by nationals of the United States on the date of loss and continuously thereafter until the date of filing with the Commission (Section 504(a) of the Act). The Commission has held that the insured, Compania Nacional de Alimentos, was a Cuban corporation and not a national of the United States eligible as a claimant within the meaning of Section 502(1)(B) of the Act. (See Claim of General Milk Company, Claim No. CU-0273.

Since claimant cannot satisfy a basic prerequisite with respect to this portion of the claim (See Claim of Compania Ganadera Becerra, S.A., Claim No. CU-0726, 25 FCSC Semiann. Rep. 47 [July-Dec. 1966]; and Claim of Sigridur Einarisdottir, Claim No. CU-0728, id. at 45.) this portion of the claim is denied.

Giving effect to all of the foregoing and excluding, for this purpose only the subsidiary's losses of \$400.00 on August 17, 1960 for its interests in Financiera Nacional de Cuba and \$80,266.25 on December 31, 1960 for the 4-1/2% Cuban Government bonds, as noted above, the subsidiary's balance sheet as of December 31, 1960 for the purposes of an award would appear as follows:

<u>ASSETS</u>	
Cash on hand and in banks	\$ 55,015.73
Net premiums receivable	6,864.18
Federal Insurance Company of New Jersey (receivable)	56,713.64
Other receivables	1,378.00
Claim against Cuban Treasury Department	120.00
Securities and cash on deposit with Chase Manhattan Bank, Havana Branch (cash-\$9,000.00 and securities-\$37,920.63)	46,920.63
Unexpired premiums on reinsurance	828.59
	<u>\$167,840.77</u>
Less Liabilities	<u>54,598.94</u>
Net Worth	<u>\$113,241.83</u>

Accordingly, the net worth of the subsidiary or the excess of its assets over its liabilities was \$113,241.83 on April 28, 1964, the date of loss. However, the debt due the subsidiary from claimant in the amount of \$56,713.64 must be taken into account in determining claimant's loss under Title V of the Act on the theory of set-off. (See Claim of Simmons Company, Claim No. CU-2303.) The Commission, therefore, finds that claimant sustained a loss on April 28, 1964 in the amount of \$56,528.19, and concludes that the aggregate loss sustained by claimant with respect to the subsidiary was \$137,194.44, including the losses of \$400.00 and \$80,266.25 on August 17, 1960 and December 31, 1960, respectively.

Other Personal Property

The evidence established and the Commission finds that claimant had issued an insurance policy covering the yacht known as "Nicoya". This yacht was duly registered by its owner, the Nepenthe Charter Company, with the United States Treasury Department, Bureau of Customs. It further appears from the evidence of record that the owner was incorporated under the laws of Ohio and qualified as a national of the United States within the meaning of Section 502(1)(B) of the Act at all pertinent times.

The record shows that on June 10, 1961, the yacht was stranded at Pasa Zorrita near Buena Vista Key, Pinar del Rio, Cuba, its crew was removed and its master was imprisoned in Cuba. All efforts to effect the yacht's return to its owner were in vain. A copy of a letter from the Department of State, dated August 8, 1963, indicated that the yacht was being used by Cuban authorities and that no replies had been received from Cuba with respect to diplomatic notes written on behalf of the United States.

On the basis of the entire record, the Commission finds that the yacht "Nicoya" was taken by Cuba on June 10, 1961. The evidence also establishes that claimant compensated the owner of the yacht in the amount of \$78,750.00 on August 4, 1961 pursuant to its insurance policy, thereby acquiring the claim against Cuba by subrogation.

The only issue concerning this portion of the claim is the value of the yacht on the date of loss. It appears that the yacht sustained some damage when it was stranded on the reefs in the area of Pinar del Rio, Cuba. In contemporaneous newspaper articles, the yacht was described as a "95-foot luxury fishing yacht", and claimant submitted pictures of the yacht in support of its contention that the yacht had a far greater value than the amount it paid under its insurance policy, despite the damages the yacht had sustained. Other evidence of record disclosed that the yacht had six new motors and five skiffs as of 1960.

Upon consideration of the entire record, the Commission finds that the yacht had a value of at least \$78,750.00 on June 10, 1961 when it was taken by Cuba and on August 4, 1961 when the claim for its loss was acquired by claimant by subrogation. The Commission concludes that claimant sustained a loss in the amount of \$78,750.00 within the meaning of Title V of the Act. The Commission has held that with respect to an assignment of a claim the date of assignment shall be used for the purpose of computing interest. (See Claim of Executors of the Estate of Julius S. Wikler, Deceased, Claim No. CU-2571.)

Claimant's losses may be summarized as follows:

<u>Property</u>	<u>Date of Loss</u>	<u>Amount</u>
Interests in Financiera Nacional de Cuba	August 17, 1960	\$ 400.00
4-1/2% Government of Cuba bonds	December 31, 1960	80,266.25
Yacht "Nicoya"	August 4, 1961	78,750.00
Subsidiary	April 28, 1964	<u>56,528.19</u>
Total		<u>\$215,944.44</u>

The Commission has decided that in certification of losses on claims determined pursuant to Title V of the International Claims Settlement Act of 1949, as amended, interest should be included at the rate of 6% per

annum from the respective dates of loss to the date of settlement (see Claim of Lisle Corporation, Claim No. CU-0644), and in the instant case it is so ordered.

CERTIFICATION OF LOSS

The Commission certifies that FEDERAL INSURANCE COMPANY succeeded to, in part, and suffered a loss, as a result of actions of the Government of Cuba, within the scope of Title V of the International Claims Settlement Act of 1949, as amended, in the amount of Two Hundred Fifteen Thousand Nine Hundred Forty-four Dollars and Forty-four Cents (\$215,944.44) with interest at 6% per annum from the aforesaid dates to the date of settlement.

Dated at Washington, D.C.,
and entered as the Proposed
Decision of the Commission

80 JUL 1969

Leonard v. B. Sutton
Leonard v. B. Sutton, Chairman

Theodore Jaffe
Theodore Jaffe, Commissioner

Sidney Freidberg
Sidney Freidberg, Commissioner

NOTICE TO TREASURY: The above-reference securities may not have been submitted to the Commission or if submitted, may have been returned; accordingly, no payment should be made until claimant establishes retention of the securities for the loss here certified.

The statute does not provide for the payment of claims against the Government of Cuba. Provision is only made for the determination by the Commission of the validity and amounts of such claims. Section 501 of the statute specifically precludes any authorization for appropriations for payment of these claims. The Commission is required to certify its findings to the Secretary of State for possible use in future negotiations with the Government of Cuba.

NOTICE: Pursuant to the Regulations of the Commission, if no objections are filed within 15 days after service or receipt of notice of this Proposed Decision, the decision will be entered as the Final Decision of the Commission upon the expiration of 30 days after such service or receipt of notice, unless the Commission otherwise orders. (FCSC Reg., 45 C.F.R. 531.5(e) and (g), as amended, 32 Fed. Reg. 412-13 (1967).)